

TRINITY CHRISTIAN COMMUNITY
AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2009 AND 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 12/8/10

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Trinity Christian Community
New Orleans, Louisiana

We have audited the accompanying consolidated statements of financial position of Trinity Christian Community (a nonprofit organization) and its wholly owned subsidiary, Trinity Christian Community Center, Inc. (a for profit corporation) as of December 31, 2009 and 2008 and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Trinity Christian Community Center, Inc. were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Trinity Christian Community and its wholly owned subsidiary as of December 31, 2009 and 2008, and the changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 23, 2010, on our consideration of the Trinity Christian Community's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

ERICKSEN KRENTEL & LAPORTE LLP.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors of
Trinity Christian Community
November 23, 2010
Page 2

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

November 23, 2010

Erickson, Krentel & LaPorte LLP

Certified Public Accountants

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>ASSETS</u>	
	<u>2009</u>	<u>2008</u>
<u>ASSETS:</u>		
Cash and cash equivalents	\$ 570,379	\$ 577,637
Contribution receivables	-	122,990
Grant receivable	128,534	149,501
Property and equipment, net	<u>530,957</u>	<u>557,834</u>
Total assets	<u>\$ 1,229,870</u>	<u>\$ 1,407,962</u>

LIABILITIES AND NET ASSETS

<u>LIABILITIES:</u>		
Accounts payable	\$ <u>33,564</u>	\$ <u>44,870</u>
Total liabilities	<u>33,564</u>	<u>44,870</u>
<u>NET ASSETS:</u>		
Unrestricted net assets	<u>1,196,306</u>	<u>1,363,092</u>
Total net assets	<u>1,196,306</u>	<u>1,363,092</u>
Total liabilities and net assets	<u>\$ 1,229,870</u>	<u>\$ 1,407,962</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>SUPPORT AND REVENUE:</u>		
Federal grants:		
AmeriCorps-state	\$ 848,148	\$ 876,469
Community Development Block Grant	32,187	-
Grants	39,478	21,734
Contributions and donations	517,819	572,855
Interest income	367	10,024
Realized gain (loss) on sale of fixed assets	2,060	-
Other income	<u>13,013</u>	<u>35,222</u>
 Total support and revenue	 <u>1,453,072</u>	 <u>1,516,304</u>
 <u>EXPENSES:</u>		
Program services	1,364,117	1,521,169
Management and general	<u>255,741</u>	<u>274,698</u>
 Total expenses	 <u>1,619,858</u>	 <u>1,795,867</u>
 Change in net assets	 (166,786)	 (279,563)
 Unrestricted net assets, beginning of year	 <u>1,363,092</u>	 <u>1,642,655</u>
 Unrestricted net assets, end of year	 <u>\$ 1,196,306</u>	 <u>\$ 1,363,092</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 805,253	\$ 195,061	\$ 1,000,314
Fringe benefits and payroll taxes	255,978	30,351	286,329
Community rebuilding and development expenses	10,365	662	11,027
Insurance	24,880	3,075	27,955
Other	3,002	226	3,228
Travel	10,814	1,337	12,151
Telephone	6,148	760	6,908
Equipment and supplies	34,555	5,163	39,718
Administrative and operating	73,269	3,053	76,322
Office expenses	5,517	682	6,199
Utilities	7,969	509	8,478
Training and recruiting	8,569	451	9,020
Depreciation	24,125	1,270	25,395
Repairs and maintenance	33,030	4,082	37,112
Professional and contractual services	60,641	9,061	69,702
	<u>\$ 1,364,117</u>	<u>\$ 255,741</u>	<u>\$ 1,619,858</u>
Total expenses	<u>\$ 1,364,117</u>	<u>\$ 255,741</u>	<u>\$ 1,619,858</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries	\$ 906,349	\$ 212,954	\$ 1,119,303
Fringe benefits and payroll taxes	249,560	31,031	280,591
Community rebuilding and development expenses	18,465	3,835	22,300
Insurance	13,220	4,638	17,858
Other	5,625	163	5,788
Travel	18,364	2,378	20,742
Telephone	5,848	731	6,579
Equipment and supplies	52,858	7,590	60,448
Administrative and operating	78,833	1,048	79,881
Office expenses	9,888	1,236	11,124
Utilities	13,682	906	14,588
Training and recruiting	12,938	719	13,657
Depreciation	33,901	1,757	35,658
Repairs and maintenance	28,534	3,377	31,911
Professional and contractual services	73,104	2,335	75,439
	<u>\$ 1,521,169</u>	<u>\$ 274,698</u>	<u>\$ 1,795,867</u>
Total expenses	<u>\$ 1,521,169</u>	<u>\$ 274,698</u>	<u>\$ 1,795,867</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (166,786)	\$ (279,563)
Adjustments to reconcile change in net assets to net cash from (used in) operating activities:		
Depreciation	25,395	35,658
(Gain) loss on sale of fixed assets	(2,060)	-
Changes in assets and liabilities:		
Decrease in contribution receivables	122,990	14,783
Decrease in grant receivable	20,967	225,316
Increase (decrease) in accounts payable	<u>(11,306)</u>	<u>24,301</u>
Net cash from (used in) operating activities	<u>(10,800)</u>	<u>20,495</u>
<u>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES:</u>		
Proceeds from sale of fixed assets	3,542	-
Purchase of fixed assets	<u>-</u>	<u>(5,030)</u>
Net cash from (used in) investing activities	<u>3,542</u>	<u>(5,030)</u>
Net increase (decrease) in cash and cash equivalents	(7,258)	15,465
Cash and cash equivalents at beginning of year	<u>577,637</u>	<u>562,172</u>
Cash and cash equivalents at end of year	<u>\$ 570,379</u>	<u>\$ 577,637</u>

See accompanying NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

(1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Trinity Christian Community (TCC) is a faith-based, community organization that is primarily involved in community development and rebuilding activities, youth literacy and leadership development that is supported primarily through direct and pass-through grants and donations. TCC was incorporated on February 23, 1972 under the provisions of the Louisiana Nonprofit Corporation Law and is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. TCC is also exempt from income tax under the State of Louisiana laws.

TCC's wholly owned subsidiary, Trinity Christian Community Center, Inc. (Center) is a for profit S-Corporation that until November 2009, owned property consisting of the land and building that TCC utilized for its operations. In November of 2009, the common stock of Center was legally dissolved and the property was transferred to TCC at its net book value of \$329,247.

Principles of Consolidation

The consolidated financial statements include the accounts of Trinity Christian Community and Trinity Christian Community Center, Inc., its wholly owned subsidiary. All intercompany transactions have been eliminated in the consolidated financial statements.

Basic of Accounting

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The consolidated financial statement presentation follows the requirements of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, TCC and subsidiary is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2009, the TCC had no temporarily or permanently restricted net assets.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

(1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Contributions receivable

TCC reviews the collectability of contributions receivable on a monthly basis, assessing the credit-worthiness of donors. TCC has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the following estimated useful lives:

Vehicles	5 years
Equipment	3 - 7 years
Building and building improvements	25 years

Depreciation expense for the years ended December 31, 2009 and 2008 was \$25,395 and \$35,658, respectively.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

TCC receives a substantial amount of services donated from unpaid volunteers. No amounts have been reflected in the consolidated financial statements for those services since they do not meet the criteria for recognition under FASB ASC 958-605-25-16, *"Accounting for Contributions Received and Contributions Made."*

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

(1) NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Support and Revenue

TCC receives grants from the federal government and donations from the general public. The support received from the Corporation for National and Community Service – AmeriCorps State is recognized on a cost reimbursement basis.

Cash and Cash Equivalents

For purposes of the statements of cash flows, TCC considers all highly liquid debt instruments purchased with an original maturity of less than three months to be cash equivalents. At December 31, 2009, \$480,658 of cash equivalents were invested in a U.S. Treasury money market fund.

Functional Allocation of Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Tax Status

TCC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

TCC adopted FASB Interpretation No. 48 (FASB ASC 740-10-et al), *Accounting for Uncertainty in Income Taxes* on July 1, 2009. FASB ASC 740-10-et al is an interpretation of SFAS No. 109 (FASB ASC 740-10-et al), *Accounting for Income Taxes*. FASB ASC 740-10-et al prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return. FASB ASC 740-10-et al requires the affirmative evaluation that is more likely-than-not, based on the technical merits of a tax position, that an enterprise is entitled to economic benefits resulting from positions taken in income tax returns. If a tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the financial statements. FASB ASC 740-10-et al also requires the organization to disclose additional quantitative and qualitative information in their financial statements about uncertain tax positions. TCC's adoption of FASB ASC 740-10-et al on January 1, 2009, did not have a material impact on the financial statements.

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status (continued)

TCC's evaluation as of December 31, 2009 revealed no tax positions that would have a material impact on the financial statements. The 2006 through 2009 tax years remain subject to examination by the IRS. TCC does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statements.

Subsequent Events

Subsequent events have been evaluated through November 23, 2010, which is the date the financial statements were available to be issued.

(2) PROPERTY AND EQUIPMENT, NET

A summary of changes in property and equipment follows:

	Balance December 31, 2008	2009 Additions	2009 Disposals	Balance December 31, 2009
Vehicles	\$ 40,176	\$ -	\$ (5,230)	\$ 34,946
Equipment	67,020	-	-	67,020
Land	265,000	-	-	265,000
Building	119,247	-	-	119,247
Building improvements	201,027	-	-	201,027
	692,470	-	(5,230)	687,240
Less: accumulated depreciation	(134,636)	(25,395)	3,748	(156,283)
Total (net)	<u>\$ 557,834</u>	<u>\$ (25,395)</u>	<u>\$ (1,482)</u>	<u>\$ 530,957</u>

(3) CONTINGENCIES

TCC is the recipient of funds from various agencies and organizations. The administration of the programs funded by these agencies and organizations are under the control of the organization and are subject to audits and reviews by the funding sources of their designees. Any grants or awards found not to be properly spent in accordance with the terms, conditions, and regulations may be subject to repayment.

TRINITY CHRISTIAN COMMUNITY AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009 AND 2008

(4) GRANT RECEIVABLE

At December 31, 2009 and 2008, grant receivables consisted of the following:

	<u>2009</u>	<u>2008</u>
AmeriCorps - State Grant	\$ 96,347	\$ 144,667
Ramp Up	-	4,834
Community Development Block Grant	<u>32,187</u>	<u>-</u>
	<u>\$ 128,534</u>	<u>\$ 149,501</u>

(5) CONCENTRATION OF CREDIT RISK

The primary funding sources of the organization are various grants from Federal and other sources. If the amount of grants received fall below contract levels, the TCC's operating results could be adversely affected.

TCC maintains its cash and cash equivalents in various financial institutions in Louisiana. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2009 and 2008, no deposits exceeded federally insured limits, respectively. Money market funds are fully insured.

(6) RISK MANAGEMENT

TCC is exposed to various risks of loss related to torts, thefts, damage to and destruction of assets, for which the organization carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

(7) GRANTS

At December 31, 2009 and 2008, grant revenues from non-government sources consisted of the following:

	<u>2009</u>	<u>2008</u>
Compassion Capital	\$ -	\$ 16,900
Ramp Up	-	4,834
Harrah's	<u>39,478</u>	<u>-</u>
	<u>\$ 39,478</u>	<u>\$ 21,734</u>

TRINITY CHRISTIAN COMMUNITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Federal Grantor/Pass-through Grantors/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>Corporation for National and Community Service:</u>			
Funds passed through:			
State of Louisiana			
Louisiana Serve Commission			
AmeriCorps - State	94.006	06ACHLA0010002	\$ 437,504 *
AmeriCorps - State	94.006	06AFHLA0020013	215,382 *
AmeriCorps - State	94.006	06AFHLA0010013	150,476 *
AmeriCorps - State (ARRA)	94.006	09AC100437	<u>44,786 *</u>
Total Corporation for National and Community Service			<u>848,148</u>
<u>Department of Housing and Urban Development:</u>			
Funds passed through:			
City of New Orleans			
Community Development Block Grants	14.218	CD#50-297(09)	<u>32,187</u>
Total Department of Housing and Urban Development			<u>32,187</u>
Total Federal Awards			<u>\$ 880,335</u>

* Major Program

Note: The schedule of expenditures of federal awards is a summary of the activity of Trinity Christian Community's federal award programs presented on the accrual basis of accounting in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of
Trinity Christian Community
New Orleans, Louisiana

We have audited the financial statements of Trinity Christian Community (a nonprofit organization), as of and for the year ended December 31, 2009, and have issued our report thereon dated November 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Trinity Christian Community's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Trinity Christian Community's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Trinity Christian Community's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2009-1 to be a material weakness.

ERICKSEN KRENTEL & LA PORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors of
Trinity Christian Community
November 23, 2010

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2009-2, 2009-3, 2009-4 and 2009-5 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trinity Christian Community's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2009-3, 2009-4 and 2009-5.

We noted certain matters that we reported to management of Trinity Christian Community in a separate letter dated November 23, 2010.

Trinity Christian Community's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Trinity Christian Community's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

November 23, 2010

Erickson, Krentel & LaPorte LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors of
Trinity Christian Community
New Orleans, Louisiana

Compliance

We have audited Trinity Christian Community's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Trinity Christian Community's major federal programs for the year ended December 31, 2009. Trinity Christian Community's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Trinity Christian Community's management. Our responsibility is to express an opinion on Trinity Christian Community's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Trinity Christian Community's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Trinity Christian Community's compliance with those requirements.

In our opinion, Trinity Christian Community complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2009-3, 2009-4 and 2009-5.

To the Board of Directors of
Trinity Christian Community
November 23, 2010

Internal Control Over Compliance

Management of Trinity Christian Community is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Trinity Christian Community's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Trinity Christian Community's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2009-2, 2009-3, 2009-4 and 2009-5. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Trinity Christian Community's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Trinity Christian Community's responses and, accordingly, we express no opinion on the responses.

ERICKSEN KRENTEL & LAPORTE L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To the Board of Directors of
Trinity Christian Community
November 23, 2010

This report is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

November 23, 2010

Erickson, Krentel & LaPorte LLP

Certified Public Accountants

TRINITY CHRISTIAN COMMUNITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

We have audited the financial statements of Trinity Christian Community, as of and for the year ended December 31, 2009, and have issued our report thereon dated November 23, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

SECTION I SUMMARY OF AUDITORS' REPORTS

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses X Yes No

Significant Deficiencies X Yes No

Compliance

Non-compliance Material to Financial Statements Yes X No

b. Federal Awards

Internal Control

Material Weaknesses Yes X No

Significant Deficiencies X Yes No

Type of Opinion on Compliance Unqualified X Qualified
for Major Programs Disclaimer Adverse

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)? X Yes No

c. Identification of Major Programs:

CFDA Number(s)	Name of Federal Program (or Cluster)
94.006	AmeriCorps - State

TRINITY CHRISTIAN COMMUNITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Dollar threshold used to distinguish Type A and Type B Programs \$ 300,000

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

 Yes X No

SECTION II FINANCIAL STATEMENT FINDINGS

Material Weaknesses:

2009-1 Reconcile Accounts to Supporting Documentation

Condition – During the audit period, management failed to reconcile the Organization's contributions receivable account to supporting documentation.

Criteria – The Organization should reconcile the general ledger account for contributions receivable to supporting documentation on a monthly basis.

Effect – Certain receipts of contributions throughout the audit period were double posted to the Organization's records. Prior to the correcting audit entries, contributions receivable balances and related contribution revenue were overstated by \$117,510.

Cause – Prior employee who was responsible for the monthly reconciliation process failed to perform a timely reconciliation of the contributions receivable account.

Recommendation – We recommend monthly reconciliations be performed on the contributions receivable account to check that the recording of transactions is accurate and proper and so errors do not accumulate but can be identified and attributed to a particular period.

Response – See Management's Corrective Action Plan for their response.

Significant Deficiencies:

2009-2 Failure to Timely File Audited Financial Statements

Condition – Management failed to submit its annual report to the Louisiana Legislative Auditor's office within the six month of the close of its fiscal year on December 31, 2009.

Criteria – Louisiana Revised Statute 24:513 requires entities receiving governmental funds in Louisiana to submit an annual report to the Louisiana Legislative Auditor's office within six months of the close of the entities fiscal year.

Effect – The Organization failed to comply with the timely filing requirements of Louisiana Revised Statute 24:513.

TRINITY CHRISTIAN COMMUNITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

Cause – Management did not provide its independent auditors with the requested financial information in a timely basis.

Recommendation – We recommend management ensure that all financial reports are filed timely.

Response – See Management's Corrective Action Plan for their response.

See additional findings 2009-3, 2009-4 and 2009-5 below as instances of noncompliance or other matters required to be reported under *Governmental Auditing Standards*.

**SECTION III FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAM AUDIT**

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

94.006: AmeriCorps - State

Significant Deficiencies:

2009-3 Separation of ARRA and Non-ARRA Funds/Expenses

Condition – Accounting records for ARRA funds did not provide for separate identification and accounting required for ARRA awards/activity.

Criteria – To maximize the transparency and accountability of the ARRA spending, recipients must maintain records that identify adequately the source and application of ARRA funds separately from non-ARRA funds.

Effect – ARRA expenditures and non-ARRA expenditures were co-mingled in the accounting records.

Cause – Management failed to monitor that the accounting records were adequately separating ARRA expenditures from non-ARRA expenditures.

Recommendation – We recommend management review the accounting records monthly to determine that ARRA expenditures are appropriately separated from non-ARRA expenditures and that the accounting records readily agree to the reimbursement request reports submitted.

Response – See Management's Corrective Action Plan for their response.

TRINITY CHRISTIAN COMMUNITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2009

2009-4 Improperly Maintaining Documents Relevant to Grant Requirements

Condition – During grant compliance testing of forty grant-funded employees, four employee files did not contain National Sex Offender Public Registry checks which are required in order to be in compliance with AmeriCorps requirements.

Criteria – Grantees must conduct National Sex Offender Public Registry checks for all candidates to become an AmeriCorps member and/or to be employed as grant-funded staff.

Effect – Four employee personnel files did not contain required National Sex Offender Public Registry checks, resulting in non-compliance with the AmeriCorps grant.

Cause – Grant personnel overlooked performing this check for four grant-funded employees.

Recommendation – We recommend that accounting and grant personnel periodically review personnel files to determine that all required documents are retained.

Response – See Management's Corrective Action Plan for their response.

2009-5 Late filing of Single Audit Financial Report

Condition – OMB Circular A-133 requires the Organization to furnish the Federal Audit Clearinghouse with an audited annual financial report within nine months following the end of its fiscal year.

Criteria – The Organization failed to file the single audit of the financial report within nine months of the end of its fiscal year.

Effect – The Organization is in violation of OMB Circular A-133.

Cause – Management did not provide its independent auditors with the requested financial information in a timely basis.

Recommendation – We recommend management ensure that all single audit financial reports are filed timely.

Response – See Management's Corrective Action Plan for their response.

**TRINITY CHRISTIAN COMMUNITY
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009**

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE
FINANCIAL STATEMENTS**

2008-1 Dual Signature

During our testing of controls over cash disbursements, we noted one transaction out of forty that lacked dual signatures as required by the Organization policy.

This item was resolved.

2008-2 Lack of Proper Documentation

During our testing of payroll transactions, we found three transactions that lacked proper timesheet approval, two employee files did not contain all support necessary for grant payments and an additional twelve employee files did not contain adequate support for living allowances.

This item was resolved.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO
FEDERAL AWARDS**

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

94.006: AmeriCorps - State

See 2008-2 above.

**TRINITY CHRISTIAN COMMUNITY
MANAGEMENT'S CORRECTIVE ACTION PLANS
DECEMBER 31, 2009**

Corporation for National and Community Service

Trinity Christian Community respectfully submits the following corrective action plan for the year ended December 31, 2009.

Name and address of independent public accounting firm:

Ericksen Krentel & LaPorte L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: January 1, 2009 – December 31, 2009

The findings from the December 31, 2009 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

SECTION II FINDINGS - FINANCIAL STATEMENTS AUDIT

2009-1 Lack of Monthly Reconciliations

Recommendation – We recommend monthly reconciliations be performed on the contributions receivable account to check that the recording of transactions is accurate and proper and so errors do not accumulate but can be identified and attributed to a particular period.

Response – This condition has already been corrected and Trinity Christian Community has contracted with an outside CPA who will reconcile the organization's contribution receivable account to supporting documentation.

2009-2 Failure to Timely File Audited Financial Statements

Recommendation – We recommend management ensure that all financial reports are filed timely.

Response – Timely filing of our 2009 annual audit was impossible as the City of New Orleans, whose CDBG funds were part of TCC's audit process, was undergoing its own audit and had to change category classifications for the funds, making a 6/30 deadline for our audit completion impossible. While we were prepared for our audit in other areas, these funds were granted us in November and were retroactive for the entire year. While most funders give monies to be used and accounted for in future months, these funds were granted at year's end for the previous year with the expectation that we would comply with the city's classifications in our bookkeeping, requiring us to work retroactively to meet their expectations.

2009-3 Separation of ARRA and Non-ARRA Funds/Expenses

Recommendation – We recommend management review the accounting records monthly to determine that ARRA expenditures are appropriately separated from non-ARRA expenditures and that the accounting records readily agree to the reimbursement request reports submitted.

Response – For the most part these funds were clearly separated in our accounting. There was one instance where data was coded incorrectly leading to some confusion as to which grant the monies were drawn from. We will work diligently in the future to assure funds are clearly coded and assigned to the proper categories.

**TRINITY CHRISTIAN COMMUNITY
MANAGEMENT'S CORRECTIVE ACTION PLANS (CONTINUED)
DECEMBER 31, 2009**

2009-4 Improperly Maintaining Documents Relevant to Grant Requirements

Recommendation – We recommend that accounting and grant personnel periodically review personnel files to determine that all required documents are retained.

Response – We have addressed this issue in response to our last audit, but well into the 2009 grant cycle so the improvement will be evident in the 2010 audit cycle.

2009-5 Late filing of Single Audit Financial Report

Recommendation – Single audit financial reports are to be filed in a timely manner.

Response – Timely filing of our 2009 annual audit was impossible as the City of New Orleans, whose CDBG funds were part of TCC's audit process, was undergoing its own audit and had to change category classifications for the funds, making the deadline for our audit completion impossible. While we were prepared for our audit in other areas, these funds were granted us in November and were retroactive for the entire year. While most funders give monies to be used and accounted for in future months, these funds were granted at year's end for the previous year with the expectation that we would comply with the city's classifications in our bookkeeping, requiring us to work retroactively to meet their expectations.

SECTION III FINDINGS AND QUESTIONED COSTS – MAJOR AWARD PROGRAMS AUDIT

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

94.006 AmeriCorps - State

See 2009-03, 2009-4, and 2009-5 above

SECTION IV MANAGEMENT LETTER

2009-6 Lack of Consistency in Personnel Files

Recommendation – We recommend that management review the personnel files for consistency.

Response – We have addressed this issue in response to our last audit, but well into the 2009 grant cycle so the improvement will be evident in the 2010 audit cycle.

2009-7 Reconcile Donation Software to General Ledger

Recommendation – We recommend management review monthly Razors Edge reports to the general ledger and research any discrepancies in a timely manner.

Response – Trinity Christian Community implemented Raiser's Edge Software late in 2009 and has already implemented a process for review that would not yet be reflected in this audit.

If there are any questions regarding this plan, please call Kevin Brown, Executive Director, at (504) 482-7822.

Sincerely,


Signature

Executive Director
Title

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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JAMES E. TONGLET*

*PROFESSIONAL CORPORATION
*LIMITED LIABILITY COMPANY
BENJAMIN J. ERICKSEN - RETIRED
J.V. LECLERE KRENTEL - DECEASED

MANAGEMENT LETTER

November 23, 2010

To Board of Directors of
Trinity Christian Community
New Orleans, Louisiana

In planning and performing our audit of the financial statements of Trinity Christian Community (the Organization), for the year ended December 31, 2009, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiencies. This letter summarizes our comments regarding these matters. This letter does not affect our report dated November 23, 2010, on the financial statements of the Organization.

The following items were noted:

2009-6 Lack of Consistency in Personnel Files

During our testing of payroll we noted that there were four reports documenting an AmeriCorps' members living allowance. Out of the 33 member files that we examined, 17 had inconsistencies in documenting the member's current living allowance. We recommend that management review the personnel files to ensure that consistent files are being maintained.

2009-7 Reconcile Donation Software to General Ledger

Management is currently recording all donations into the Razors Edge software and then recording all deposits into the accounting software. There is no reconciliation between the two programs. As an added control over cash receipts, we recommend management review monthly Razors Edge reports to the general ledger and research any discrepancies in a timely manner.

ERICKSEN KRENTEL & LAPORTE L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

To Board of Directors of
Trinity Christian Community
November 23, 2010
Page 2

We will review the status of these comments during our next audit engagement. We have already discussed these comments with management, and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Ericksen, Krentel & LaPorte LLP

Certified Public Accountants